

EXHIBIT I



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

September 2, 2022

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thompson:

In accordance with the requirements of the Federal Information Security Modernization Act (FISMA) and criteria provided in the Office of Management and Budget (OMB) Guidance, this letter provides notice that the Internal Revenue Service recently identified an inadvertent and now-corrected disclosure of a subset of Forms 990-T. FISMA requires this report to Congress “not later than seven days after the date on which there is reasonable basis to conclude that a major incident has occurred.” The IRS determined on Friday, August 26, that the inadvertent disclosure met this threshold.

This notification follows the IRS discovery that some machine-readable (XML) Form 990-T data made available for bulk download section on the Tax Exempt Organization Search (TEOS) should not have been made public. This section is primarily used by those with the ability to use machine-readable data; other more widely used sections of [TEOS](#) are unaffected.

The IRS took immediate steps to address this issue. The agency removed the errant files from IRS.gov, and the IRS will replace them with updated files in next few weeks. The IRS also will be working with groups that routinely use the files to update remove the erroneous files and replace them with the correct versions as they become available. The IRS will contact all impacted filers in the coming weeks.

Form 990-T is the business tax return used by tax-exempt entities, including tax-exempt organizations, government entities and retirement accounts, to report and pay income tax on income that is generated from certain investments or income unrelated to their exempt purpose. The IRS is required to publicly disclose this information for 501(c)(3) organizations; however, similar information was inadvertently published for a subset of non-501(c)(3)s, which are not subject to public disclosure.

OMB’s Guidance on Federal Information Security and Privacy Management Requirements mandates that agencies define any incident involving more than 100,000 individuals as a major incident. Based on the IRS’s review, the inadvertent disclosure included limited information for approximately 120,000 individuals. However, the data did not include Social Security numbers, individual income information, detailed financial account data, or other sensitive information that could impact a taxpayer’s credit. In some instances, the data did include individual names or business contact information.

The IRS is continuing to review this situation. The Treasury Department has instructed the IRS to conduct a prompt review of its practices to ensure necessary protections are in place to prevent unauthorized data disclosures. In accordance with FISMA guidance, additional details will be forthcoming within 30 days, including summaries of our detection, response and remediation activities.

In addition, I and my IRS colleagues are available to discuss this matter in additional detail. If you have any questions, please call me, or a member of your staff may call the Office of Legislative Affairs at (202) 622-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Anna Canfield Roth". The signature is fluid and cursive, with the first name "Anna" being the most prominent part.

Anna Canfield Roth
Acting Assistant Secretary for Management